BEFORE THE PUBLIC UTILITIES COMMISSION



OF THE STATE OF CALIFORNIA

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009

A.06-01-005

CALIFORNIA-AMERICAN WATER COMPANY'S COMPLIANCE FILING

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Attorneys for Applicant California-American Water Company

September 4, 2007

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CALIFORNIA AMERICAN WATER COMPANY'S COMPLIANCE FILING

Pursuant to Ordering Paragraph 5 of Decision ("D.") 07-08-030, the California-American Water Company ("California American Water") submits this compliance filing with the California Public Utilities Commission ("Commission") to address the lead Action Levels in its Baldwin Hills subsystem.

I. DISCUSSION

In D. 07-08-030, mailed August 24, 2007, the Commission ordered California American Water to provide verification that it is not exceeding the Action Level for lead in its Baldwin Hills subsystem. Ordering Paragraph 5 of that decision states:

5. Cal-Am shall make a supplemental filing within ten days of the effective date of this decision that addresses the Lead Action Levels in its Baldwin Hills subsystem. Its filing shall provide verification that the Baldwin Hills subsystem does not now exceed the Action Level for lead or, if it does, that Cal-Am is in compliance with all testing requirements and treatment techniques required by California and federal law for community water systems. If Cal-Am is not employing any treatment techniques recommended by DHS and EPA, it shall explain why. This filing shall be reviewed in Phase 2 of this proceeding.

Lead levels in the Baldwin Hills subsystem has decreased significantly since 2004 and the data from the last two tests (six months apart) show that the lead levels did not exceed

the 90th percentile. To provide the verification required by Ordering Paragraph 5, California American Water has attached, as Appendix A to this filing, a letter from the Department of Health Services (recently renamed Department of Public Health), which addresses the lead levels in the Baldwin Hills subsystem.

II. CONCLUSION

Given the results of its testing, California American Water respectfully requests the Commission find that California American Water is in full compliance with Action Levels for lead in its Baldwin Hills subsystem.

Dated: September 4, 2007

Respectfully submitted,

STEEFEL, LEVITT & WEISS A Professional Corporation

By: Lori Anne Dolqueist

Attorneys for Applicant

California-American Water Company

APPENDIX A



State of California—Health and Human Services Agency Department of Health Services



November 20, 2006

Mr. Joseph P. Marcinko Water Quality Superintendent California American Water Company Duarte System 8657 Grand Avenue Rosemead, CA 91770

Dear Mr. Marcinko:

SYSTEM NO. 1910052 – LEAD AND COPPER SAMPLING REDUCTION FOR CALIFORNIA AMERICAN WATER COMPANY BALDWIN HILLS SYSTEM

We have received and reviewed the lead and copper sampling results from the Baldwin Hills system going back from March 2005 to September 2006, which was mailed to us on November 14, 2006. The Company requested to reduce the lead and copper sampling frequency and quantity. A review of the lead (Pb) and copper (Cu) sampling data shows that the lead levels in the distribution system has decreased significantly since the implementation of the corrosion control treatment started in 2004. The Pb and Cu data show it did not exceed the 90th percentile for both Pb and Cu for two (2) consecutive periods of six (6) months apart.

Based on the above findings, the Department approves your request to reduce the Pb and Cu monitoring frequency from semi-annually to annually and from the required 60 samples to 30 samples per Section 64675.5 Title 22, California Code of Regulations (CCR). However, if the Pb and Cu sampling data exceeds the Action Levels (ALs), the system is then required to collect the minimum of 60 samples on a semi-annually basis.

We are pleased with the monitoring results and recommended that the Company continues to educate their customers whose Pb sampling results is still above the ALs.



Do your part to help California save energy. To learn more about saving energy, visit the following web site: www.consumerenergycenter.org/flex/index.html Mr. Joseph P. Marcinko Page 2 November 20, 2006

If you have any questions, please contact Kun Cheng at (213) 580-3187.

Sincerely,

Joseph E. Crisologo, P.E., R.E.A Senior Homeland Security Engineer District Engineer Hollywood District

PROOF OF SERVICE

I, Cinthia A. Velez, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On September 4, 2007, I served the within:

California-American Water Company's Compliance Filing

on the interested parties in this action addressed as follows:

See attached service list

- thereon fully prepaid for first class mail, for collection and mailing at Steefel, Levitt & Weiss, San Francisco, California following ordinary business practice. I am readily familiar with the practice at Steefel, Levitt & Weiss for collection and processing of correspondence for mailing with the United States Postal Service, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.
- from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.1 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on September 4, 2007, at San Francisco, California.

Cinthia A. Velez

SERVICE LIST A.06-01-005

Last changed: August 22, 2007

VIA U.S. MAIL

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VIA PUC E-MAIL SERVICE A.06-01-005

Last changed: August 22, 2007

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